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MEMORANDUM OF CONVERSATION

**TIME:** Wednesday, 3 October, 10:00 to 10:30 A.M.  
Room 115, North Building

**PRESENT:** General Davison and Messrs. [ ] Meloon,  
and [ ]

**PURPOSE:** To determine the present status of CIA with respect to the Civil Service Commission in connection with Public Law 873 "Performance Rating Act of 1950"

1. Messrs. [ ] and Meloon reviewed the steps that had been taken in the summer of 1950 to determine whether CIA would request exemption from the application of the Act. It would seem that determination had been made that exemption from this legislation was not required and it was believed that the Civil Service Commission would, on request, accord CIA exemption administratively. It now appears that the Commission is not empowered to make the exemption that CIA requires, and the Commission has so advised CIA orally.

2. The Act, which became effective 29 December 1950, requires all agencies (except those exempted) to conform to the provisions of the Act. These include, but are not limited to, the following:

- a.) Each agency shall establish and use one or more performance rating plans for evaluating work performance.
- b.) No employee....shall be given a performance rating regardless of the name given to such rating, and no rating shall be used as a basis for any action except under a performance rating plan approved by the Civil Service Commission.
- c.) The Board of Review which handles appeals by employees will be headed by a chairman designated by the Civil Service Commission.
- d.) Each appellant may designate his representative to appear before the Board.

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e.) The Civil Service Commission has the right to inspect administration of the plan; and if it does not approve of the performance rating plan or its administration by an agency, the Commission may revoke the plan and require use of a plan prescribed by the Commission.

3. It was agreed by those present that a wholly unsatisfactory situation existed and that the following action should be taken.

a.) CIA, through its newly appointed Employee Rating Working Group would devise the best possible performance rating system to meet the needs of the Agency.

b.) That at the earliest practical moment, this plan would be installed on an "experimental" basis.

c.) That CIA should request from the Congress appropriate legislation exempting CIA from the provisions of this Act. It was estimated that the Congress could not approve this legislation until June of 1952.

d.) CIA has not yet presented a plan for the approval of the Commission and is, therefore, in some measure technically delinquent. Should inquiry be made by the Commission regarding CIA's plan, the reply should be that CIA is still experimenting with the plan that will best suit its requirements and, further, intends to ask Congress to exempt CIA from the provisions of the Act.

cc: General Davison  
Colonel Baird  
Messrs: Meloon

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